

Message Text

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62

ACTION TRSE-00

INFO OCT-01 EUR-25 ADP-00 OPR-02 M-03 A-01 ABF-01 FSE-00

AID-20 CIAE-00 COME-00 EB-11 FRB-02 INR-09 NSAE-00

RSC-01 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 SAL-01

OMB-01 IO-12 AGR-20 DODE-00 PA-03 USIA-12 PRS-01

NSC-10 SS-14 STR-08 CEA-02 RSR-01 /189 W

----- 040905

R 131431 Z MAR 73

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 5757

INFO AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

UNCLAS HELSINKI 0652

E. O. 11652: N/ A

TAGS: EFIN FI

SUBJECT: BANK OF FINLAND RESUMES FOREIGN EXCHANGE QUOTATIONS

REF: HELSINKI 592

1. BEGIN SUMMARY. BEGINNING AFTERNOON OF MARCH 12 BANK OF FINLAND OPENED FOREIGN EXCHANGE QUOTATIONS. BUYING RATE FOR DOLLARS OPENED AT FMK 3.887 AND WEAKENED TO 3.846 TODAY. DECISION TO OPEN EXCHANGE BASED ON STUDY OF EC MINISTERIAL COUNCIL STATEMENT AND VIEW THAT FINN-MARK WILL NOT BE SUBJECT TO SPECULATION AND THAT CURRENT EXCHANGE RATES IN EUROPE WILL MAINTAIN RELATIVE STABILITY. END SUMMARY.

2. BEGINNING AFTERNOON OF MARCH 12 BANK OF FINLAND OPENED FOREIGN EXCHANGE QUOTATIONS AND TRANSACTIONS. BUYING RATE FOR DOLLARS OPENED AT FMK 3.887 BUT WEAKENED TO 3.846 TODAY. GOVERNOR OF BANK MAUNO KOIVISTO MADE STATEMENT AT OPENING INDICATING STATEMENT BY UNCLASSIFIED

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MINISTERIAL COUNCIL OF EUROPEAN COMMUNITY (EC) REFLECTED VIEW THAT THERE WILL NOT BE SIGNIFICANT CHANGES IN CURRENT EXCHANGE RATES OF VARIOUS COUNTRIES. HE NOTED IT IS ESSENTIAL THAT DOLLAR NOT BE SUBJECT TO A SIGNIFICANT DECLINE IN RELATION TO EUROPEAN CURRENCIES. FINNMARK, HE SAID FURTHER, HAS NOT BEEN SUBJECT TO SPECULATION AND SITUATION FOR FINNMARK HAS BEEN EASIER THAN FOR CURRENCIES OF OTHER NORDIC COUNTRIES. AS AN OBJECTIVE, BANK OF FINLAND WILL ENDEAVOR TO MAINTAIN AVERAGE STABILITY OF ITS CURRENCY AGAINST EXTERNAL VALUE OF ITS PRINCIPAL TRADING PARTNERS.

3. OF PRIMARY CONCERN TO BANK OF FINLAND IS FUTURE POTENTIAL CONTROLS BY FOREIGN COUNTRIES ON CAPITAL MOVEMENT SINCE FINLAND DEPENDS HEAVILY ON FOREIGN BORROWINGS TO MAINTAIN ITS EXCHANGE RESERVES. KOIVISTO FEELS THERE HAS NOT BEEN SUFFICIENT ATTENTION GIVEN TO THIS MATTER.

4. PRESS COMMENTS (UUSI SUOMI AND SUOMENMAA) INDICATE THAT TRADE AND INDUSTRY REPRESENTATIVES ARE STILL CONFUSED AND UNCERTAIN OVER EXCHANGE RATES AND THEY HAVE EXPRESSED THE HOPE THAT THE FINNMARK WILL BE KEPT IN PARITY WITH MOVEMENTS IN SWEDISH KRONER AND BRITISH POUND WHICH ARE MOST IMPORTANT FOR FINNISH EXPORTS.
PETERSON

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

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OSLO
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STOCKHOLM
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